Market share of LIC

3760. SHRI VIJAY KUMAR RUPANI:
SHRI VIJAY J. DARDA:

Will the Minister of FINANCE be pleased to state:

whether in December, 2004, he had assured in Parliament that LIC will get 90-95 per cent market share in insurance industry;

what is its share till this year;

what is the market share from 20,05 to 2008;

whether it has increased and if so, in What manner; and

in case it -has decreased, the reasons therefor?.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Finance Minister, in December 2004 had stated in the Lok Sabha that Life Insurance Corporation of India (LIC) would make every effort to retain a market share of about 90-95 per cent.

LIC has informed that its market share in new business as on 29th February, 2008 is 73.05% in terms of policies and 63.53% in terms of First Year Premium.

The market share of LIC from 2005—08 is given below:

Financial year	Market Share (in percentage)	
	New Policies	First Year Premium
2004-05	91.50	78.07
2005-06	89.08	71.44
2006-07	82.83	74.18
2007-08 (Upto 29th Feb, 08 provisional)	73.05	63.53

(d) and (e) In an evolving market where the total business is expanding speedily and number of players is increasing, the market share of the leading players will lessen. In such a scenario, it is important that LIC shows a healthy growth rate. The details of the new business policies and first year premium and their growth rate during the last three years is given below:

Financial Year	No. of Policies	Year to year growth rate	First Year Premium (Rs. in crore)	Year to Year growth rate
2004-05	24027393	-	19785.9	-
2005-06	31590707	31.5	25645.2	29.6
2006-07	38229292	21.0	55934.7	118.1

In fact, in the year 2006-07 the growth rate of LIC in the first year premium of 118% was higher than the industry growth in spite of it having a large base.